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SUBJECT: UKRAINE: FEWER SUMMER WORK AND TRAVEL STUDENTS IN 2009, BUT FRAUD IS A CONSTANT

REF: TEL AVIV 423

**11.** (U) SENSITIVE BUT UNCLASSIFIED.

**12.** (U) Summary: Between January and June, Post interviewed 8288 Ukrainian university students aspiring to participate in the summer work and travel and camp counselor (SWT) program in the U.S. The number of SWT applicants was approximately 14 percent lower than in **12008.** Post attributes the decline to the economic crisis and the devaluation of the hryvna. In past years, over 93 percent of SWT visa recipients returned to Ukraine on time. Despite the lower number of applicants, misrepresentation and fraud continued to be an issue in a relatively large number of cases. This was a factor in the 15 percent refusal rate among SWT applicants. Post maintained a rigorous anti-fraud posture during the SWT season, increasing scrutiny of local SWT agencies as a source of bogus documentation and job offers. To counter ongoing fraud, Post will continue to refine its processing of SWT cases in order to maintain the integrity of the program. End summary.

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NUMBERS DOWN, MONITARY MOTIVATION STEADY  
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**13.** (U) Post interviewed 8288 SWT and camp counselor visa applicants in 2009, down from 9663 last year. SWT agencies originally projected a 20 percent increase in applicants over 2008, but participation actually declined by about 14 percent, almost certainly due to the international recession and the recent devaluation of the hryvna. Evidence of this is seen in the fact that a few applicants requested that officers refuse their visa, as their families could no longer afford the travel costs to the U.S. and a refusal would allow them to recoup part of the fee paid to the SWT agency. Students paid local agencies between 990 and 1200 USD to participate in the program, plus the cost of airfare and the visa application fee.

**14.** (SBU) Fifteen percent of applicants were refused visas under section 214b, most often for failing to demonstrate sufficient ability to speak English. A handful were refused for material misrepresentation under section 6C.

**15.** (U) Historically, the vast majority of SWT participants return from the U.S. on time. Most of them work on the East Coast in tourism-related jobs, while a notable number gut fish in Alaskan processing plants. In January 2009, Post's Fraud Prevention Unit (FPU) conducted a validation study of 715 randomly selected SWT students from the 2008 season. According to Department of Homeland Security records, over six percent did not return to Ukraine as planned (2.8 percent remained illegally in the U.S., 3.6 percent adjusted their visa status). FPU plans to check this trend with another validation study following the 2009 season.

**15.** (U) Students clearly value the opportunity to travel and see the

United States, though the opportunity to earn money there is often the primary motivation. Even after costs, the average 7-9 USD an hour they receive in the U.S. at a genuine job empowers them to earn in a week what their parents earn in a month. The average Ukrainian's monthly wage for the first half of the year was just over 225 USD, and in over half of the country's regions it was under 200 USD (in Kyiv it was 380 USD). Given this economic stimulus, it is not surprising that a notable number of SWT applicants plan to work 6 days a week for a total of 50-60 hours weekly. Some repeat SWT applicants told us that they took second jobs to increase their earning power during past programs and intended to do so again. Although many students save their earnings and take them home, others use the money to shop and travel around the U.S. before they return to Ukraine. (Comment: The excessive hours worked by some students raise concerns that for a notable portion of SWT participants, the program is seen as primarily a temporary guest worker program.)

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WORKING WITH THE AGENCIES: TOUGHER THAN BEFORE  
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¶ 16. (U) Our key partners for SWT are local recruitment agencies. Several years ago, Post established a block appointment system to help manage and process the large number of SWT applicants from January to June each year. Approved SWT agencies (i.e., bona fide agencies that have not abused the block appointment system in the past and for which Post does not have chronic fraud concerns) may reserve a specific number of appointments in advance. Five business days before these appointments, agencies must bring all required documents for each applicant (except passports) to the consular section, where the NIV staff verifies job offers and enters applicant information into the system. About 70 percent of all SWT

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students were processed through the block appointment system in ¶ 2009.

¶ 17. (U) For the first time in 2008, several agencies were removed from the block appointment system due to their inability to follow procedures and fraud concerns. Given increased problems, we focused our efforts on documents certifying student status, insurance coverage and job offers. Typical SWT fraud included misrepresentations about student status, intended place of employment, and presence of family and friends in the U.S -- all indicators that the applicant has questionable intentions. False information on insurance coverage was a less common, but growing indicator.

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FRAUD PREVENTION AND FRAUD TRENDS  
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¶ 18. (U) In addition to Post's normal fraud prevention efforts, the NIV staff prescreens and investigates the job offers submitted by students participating in the block appointment system. Post checks each job offer to verify its legitimacy by searching for information about the sponsoring business and employer through online open sources. If more than a few students are offered jobs at the same location, NIV staff will call to verify all job offers there. NIV and FPU staff subjected applications with missing or misspelled job information to more in-depth prescreening and called these employers for verification of job offers. Rapid entry of watch phrase alerts maximized the benefit of Post's investigative results and helped catch numerous additional illegitimate applications.

¶ 19. (SBU) Among other schemes, one agency, ProStudy UA, provided job offers to several applicants it knew were no longer students, and supplied them with documents verifying their student status and confirming their health insurance coverage. In other cases, several students attempted to obtain SWT J1 visas in order to work for friends and family in the U.S. (Comment: Though not a violation of the letter of the rules in itself, job offers from friends or family raise questions about the intentions of Ukrainian applicants,

particularly when the applicants are not truthful about their intended place of employment. It also seems to run counter to the purpose of the program to give applicants wide exposure to American culture, rather than visiting family friends in the Ukrainian diaspora. End comment.)

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PROTECTING STUDENTS FROM EXPLOITATION  
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¶10. (SBU) Post also encountered a number of seemingly bona fide applicants whose agencies supplied them with fraudulent or non-existent job offers, or job offers from organizations with a reputation for exploiting students. For example, several students received job offers for a Dunkin' Donuts in New Jersey. However, NIV prescreening revealed that this business does not participate in SWT, and that the designated supervisor, Vince Ludwig, is a character in the film "The Naked Gun." Depending on the circumstances of the case, these applicants were often refused under Section 221(g) and given the opportunity to return with a legitimate job offer from a different agency.

¶11. (SBU) Post continued to see SWT job offers associated with Southern Amenity Inc., a Panama City Beach, Florida operation connected with immigrants from the former Soviet Union and involved in exploiting students and conducting visa fraud. In the fall of 2008, a returning SWT student informed the consular section that Southern Amenity takes a significant cut from the hourly wage of its SWT participants, charges excessive rent to students, forces them to live in small rooms with several other students, and threatens students with the loss of their jobs and visas if they complain or try to move and find other jobs. In 2009, several other businesses in and around Panama City, Florida were found to be affiliated with Southern Amenity. All SWT sponsors in northwestern Florida are now verified during prescreening.

¶12. (SBU) Finally, Post discovered that the Dead Sea Products fraud and trafficking scheme involving young Israelis (reftel) has found its way into the Ukrainian market, as several Ukrainian students applied with job offers associated with this business. As described in reftel, the various regional companies affiliated with Dead Sea Products are involved in questionable immigration activities and exploitative practices concerning their workers. Officers carefully scrutinized SWT applicants with ties to this business, and many were refused under Section 214(b) or requested to find another job offer.

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COMMENT  
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¶13. (U) Comment: Despite a drop in overall numbers, SWT remains popular despite, and perhaps because of, the difficult economic climate in Ukraine. While there are concerns about fraud and the significant number of hours that some SWT participants spend on the job, most participants seem to receive exposure to American culture. Post believes that its efforts to work with agencies, prescreen job offers, and carefully monitor fraud/overstay indicators during the interview process have contributed to a relatively low overstaying rate in prior years. Given the current negative climate in Ukraine, Post will be extra vigilant in conducting a validation study to see if the low overstaying rate will continue.

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